

SHOE STATION

You Need NEW SHOES!



DOWNLOAD THE
APP TO SAVE!

Amid budget growth, Ivey to request teacher, state employee pay raises

Discover something new in 2018!

99¢ for the 1st month

Subscribe

([http://offers.montgomeryadvertiser.com/specialoffer?](http://offers.montgomeryadvertiser.com/specialoffer?source=BEN&utm_medium=nanobar&utm_source=bounce-exchange&utm_campaign=WINTER18)

<http://www.montgomeryadvertiser.com/BLOG/SOUTHUNIONSTREET>
source=BEN&utm_medium=nanobar&utm_source=bounce-exchange&utm_campaign=WINTER18)

SOUTH UNION STREET ([//WWW.MONTGOMERYADVERTISER.COM/BLOG/SOUTHUNIONSTREET](http://WWW.MONTGOMERYADVERTISER.COM/BLOG/SOUTHUNIONSTREET))

Brian Lyman (<http://www.montgomeryadvertiser.com/staff/12375/brian-lyman>)

Published 11:42 a.m. CT Jan. 9, 2018 | Updated 2:21 p.m. CT Jan. 9, 2018

The key question for any gathering of Alabama legislators: "Are the budgets in good shape?"



Buy Photo

Governor Kay Ivey announces that the 187th Fighter Wing will be getting the F-35 Fighter jets during a ceremony in Montgomery, Ala. on Thursday December 21, 2017. (Photo: Mickey Welsh / Advertiser)

The answer on the first day of the 2018 legislative session: Yes, but.

The Legislative Fiscal Office and the State Department of Finance Tuesday both estimated growth in the state's education and General Fund budgets, enough that the State Finance Director Clinton Carter indicated Gov. Kay Ivey would call for raises for teachers and state employees in her State of the State address Tuesday evening.

The Alabama Legislature is usually disposed toward giving raises in election years. But officials from both offices warned of potential issues -- particularly mental health care in prisons and the Children's Health Insurance Program -- that could affect those plans.

"This is as healthy a budget as we've seen in a long time," Carter said after the traditional first day budget presentation to legislators Tuesday morning. "But that said, it would be irresponsible for us to not proceed with caution."

In a presentation to legislators Tuesday, the Legislative Fiscal Office estimated growth of \$219 million — about 3.4 percent — in the state's Education Trust Fund budget, and said that there will be at least \$129 million in carryover money in Alabama's perpetually troubled General Fund budget, which pays for most noneducation services in the state.



Speaker of the House Mac McCutcheon bangs the gavel to control the volume in the house chamber during the opening day of the Alabama Legislative Session on Tuesday, Jan. 9, 2018, in Montgomery, Ala. (Photo: Albert Cesare / Advertiser)

The General Fund benefited from increased revenues from insurance sources and Internet sales taxes. The ETF, which gets most of its funding from income and sales taxes, is the beneficiary of a strong state economy.

But Deputy Director Kirk Fulford also noted that two major questions — a fix for mental health care in prisons and the still-uncertain future of the Children's Health Insurance Program, which covers 150,000 children in Alabama and whose costs for the past several years have been borne by the federal government.

Congress missed a renewal deadline for the program last September. Though Congress approved a short-term fix last month, it is unclear if a long-term solution will continue the current funding formula, or if the state will have to provide a match. The Alabama Department of Public Health, which administers the ALL Kids program, requested \$53.6 million to renew the program should Congress seek matching funds.

Fulford said "no one anticipates Congress not reauthorizing the program" but also warned that action needed to take place quickly before letters warning about the end of the program went to recipients.

"If nothing happens between now and the end of January, those letters will be going out," he said.

Last June, U.S. District Judge Myron Thompson called mental health care in the state's correctional system "[horrendously inadequate \(/story/news/2017/06/27/federal-judge-rules-against-adoc-mental-health-suit/431798001/\)](/story/news/2017/06/27/federal-judge-rules-against-adoc-mental-health-suit/431798001/)" and ordered the state to come up with a solution. Corrections is negotiating a new medical and mental health care contract and plans to hire hundreds of new personnel.



Rep. John Knight, D-Montgomery, looks on during the opening day of the Alabama Legislative Session on Tuesday, Jan. 9, 2018, in Montgomery, Ala. (Photo: Albert Cesare / Advertiser)

Ivey's budget proposal requests \$30 million for Corrections this year — which will require a supplemental appropriation from the Legislature — and a \$20 million increase over that next year. Ivey will request a \$53.9 million increase for Medicaid, which saw its request come in lower due to lower drug costs, and a \$9 million increase for the Alabama Department of Mental Health.

Join now for as low as
99¢ for the 1st month

Subscribe Now
([http://offers.montgomeryadvertiser.com/specialoffer?](http://offers.montgomeryadvertiser.com/specialoffer?gps-source=BEAZjan&utm_medium=agilityzone&utm_source=bounce-exchange&utm_campaign=UWEB2017)
gps-
source=BEAZjan&utm_medium=agilityzone&utm_source=bounce-
exchange&utm_campaign=UWEB2017)

Legislators reserved \$93 million in last year's General Fund budget to address health care issues that could emerge in framing the 2019 budget.

Should CHIP win renewal, legislators will have more space to provide raises for teachers and state employees. Carter declined to say how much the governor would request, though his budget presentation indicated about \$92.5 million for pay raises for education employees, and \$14.4 million for state employees. Carter estimated the cost of a one percent teacher pay raise at \$40 million, and a one percent state employee pay raise at \$5 million.

LFO estimates a one percent raise for education employees will cost \$41 million, while a state employee pay raise would cost about \$18.4 million.

Legislators made it clear Tuesday they wanted to make raises happen.

"We think it's doable because of revenue," said Senate President Pro Tem Del Marsh, R-Anniston. "The only thing that could throw a wrench into it is CHIP."



Alabama representatives walk around the house chamber during the opening day of the Alabama Legislative Session on Tuesday, Jan. 9, 2018, in Montgomery, Ala. (Photo: Albert Cesare / Advertiser)

Democrats hinted that they might seek a larger increase. Rep. John Knight, D-Montgomery, said Democrats "are in favor of going a little higher" but had to work with budget chairs to make it happen.

House Minority Leader Anthony Daniels, D-Huntsville, said a raise should reflect both inflation and increased costs state employees have been assessed over the last decade.

"Considering what's been taken in previous years, I think we're getting to the purchasing power pre-2010," he said.

Education employees received their most recent cost-of-living increase in 2016. State employees have not seen a cost-of-living adjustment to their wages since 2008.

"It's much needed," said Mac McArthur, executive director of the Alabama State Employees Association. "And it's certainly showing in the attrition numbers."

Read or Share this story:

<http://www.montgomeryadvertiser.com/story/news/politics/southunionstreet/2018/01/09/amid-budget-growth-ivey-request-teacher-state-employee-pay-raises/1017036001/>